

ORIGINAL



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Arizona Corporation Commission

DOCKETED

APR - 8 2005

Attorney for Arizona-American Water Company

DOCKETED BY

*KS*

BEFORE THE ARIZONA CORPORATION COMMISSION

|                               |   |                            |
|-------------------------------|---|----------------------------|
| IN THE MATTER OF APPLICATION  | ) | DOCKET NO. W-1303A-98-0507 |
| OF ARIZONA-AMERICAN WATER CO. | ) |                            |
| AN ARIZONA CORPORATION, FOR   | ) | NOTICE OF FILING CAP       |
| ADJUSTMENTS TO ITS RATES AND  | ) | SURCHARGE FOR YEAR 2005    |
| CHARGES FOR UTILITY SERVICE   | ) |                            |

Arizona-American Water Company ("Company") hereby files its CAP Surcharge for Year 2005, as authorized by the Commission in Decision No. 59079 (May 5, 1995) and Decision No. 61831 (July 20, 1999). A copy of this tariff schedule is attached. The surcharge rate for the year 2005 is \$ 0.0769 per 1,000 gallons, applicable to all residential customers with usage exceeding 45,000 gallons, and all non-residential customers, except sale-for-resale customers.

DATED April 8, 2005.

By *Craig A. Marks*  
Craig A. Marks  
Attorney for Arizona-American  
Water Company

ARIZONA-AMERICAN WATER COMPANY

SCHEDULE NO. PVWC - CAP SURCHARGE - 6

CANCELING PVWC - CAP SURCHARGE - 5

CAP SURCHARGE

APPLICABILITY

Applicable to all customers of Paradise Valley Water Company except Sale for Resale.

TERRITORY

Portions of the City of Scottsdale and the Town of Paradise Valley, and vicinity, Maricopa County.

RATES

Surcharge Rate:

Per Customer

Residential Customers:

In excess of 45,000 gallons ..... \$ 0.0769 per 1,000 gallons

All Non-Residential Customers except Sale for Resale Customers:

For all usage..... \$ 0.0769 per 1,000 gallons

SPECIAL CONDITIONS:

1. The Company is authorized to recover CAP related costs based on its CAP allocation of 3,231 AF.
2. Total annual CAP costs will be determined by summing: a) annual Municipal & Industrial (M & I) water service charges, b) monthly M & I operations, maintenance and replacement (OM & R) costs, c) Salt River Project (SRP) water delivery charges, d) SRP administrative charges, e) annual production cost savings, f) the overcollected or undercollected surcharge from the previous twelve months period, and g) amortization over 5 years of deferred CAP M & I water services capital charges.
3. The Company will annually file with the Commission by December 1 the proposed annual CAP surcharge for the next calendar year. The filing shall contain all documentation to support the proposed surcharge.
4. The annual CAP surcharge will be calculated based on the historic consumption of the applicable customers from the previous twelve months.
5. The revised CAP surcharge will be effective on January 1 of each year.
6. Total deferred CAP costs of \$533,115 as of 12/31/99 will be amortized over a period of 5 years.
7. Collection of the CAP surcharge will not generate a positive operating income to Paradise Valley Water Company. It is intended only to recover CAP related costs.
8. The CAP surcharge will appear on each applicable customer bill as a separate charge.

DOCKET NO. - W-01303A-98-0507

ISSUED BY - David P. Stephenson

DECISION NO. - 61831

TITLE - Director - Rates & Revenues

EFFECTIVE DATE - APRIL 1, 2005

Original and thirteen copies filed  
on April 8, 2005, with:

Docket Control  
Arizona Corporation Commission  
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Copies mailed on April 8, 2005, to:

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By Melissa A. Brunson